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China, Peoples Republic of

Agricultural Situation

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Report Highlights:

This report provides a news synopsis of trade policy and agriculture/commodities in China. Trade policy news includes: unilateral announcement of China's conditional resumption of US beef imports; financial support for export-oriented Jiangsu Province companies. Agriculture/commodities news includes: BT cotton contributes to overall cotton production in China.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Beijing [CH1]
[CH]

Trade Policy

China made a single-sided announcement of a ban lifting on U.S. boneless beef

The Chinese Ministry of Agriculture (MOA) and the General Administration of Quality Supervision, Inspection and Quarantine announced on June 29, 2006, to conditionally resume imports of U.S. boneless beef from cattle of 30 months of age or younger. As of the date of this announcement, MOA and AQSIQ will allow the importation of U.S. boneless beef products complying with China's inspection and quarantine requirements from cattle of 30 months of age or younger, which should be completely free of vertebral column, skull, brain, eyes, spinal cord, tonsils and small intestine. The relevant inspection and quarantine requirements will be published and implemented by AQSIQ. (Farmers' Daily, 6/30/2006, ZJP) (Note: The two sides have not yet reached consensus on a bilateral inspection and quarantine protocol.)

Jiangsu Province to provide financial support to export-oriented companies

In order to encourage companies of Jiangsu Province to explore international markets and avoid foreign exchange risk, the provincial government has recently announced a new policy to financially support export credit insurance for all companies of the province. Any exporter can enjoy this policy, provided it meet the following requirements: short-term export credit insurance purchase, and overseas investment and business guarantee insurance purchase; uniform application form completion; insurance fee payment; official receipt acquirement from the Jiangsu Branch Company of China Export Credit Insurance Company. The local government will provide financial support at 10 percent of the total claimed and paid insurance to agricultural exporters. The claims can include agricultural products, agricultural by-products and aquatic products, and the companies must ensure that 10 percent of such insurance target new emerging markets (i.e. excluding North America, EU, Japan, Hong Kong, Macau, Taiwan and any country or area outside bonded warehouses of China). (Farmers' Daily, 6/30/2006, ZJP)

Agriculture/Commodities

BT cotton contributed to China's cotton production

Since the introduction of BT cotton seven years ago, the cumulative planted area reached 8.5 million hectares. It is estimated that the planting of BT cotton reduced agri-chemical use by 650,000 MT and generated social and economic returns exceeding \$2.7 billion. (Farmers' Daily, 6/28/06, WXP)